

*To the Editor of the Naval Magazine
Gazette with the Author's Consent*
SOLVENCY GUARANTEED. /

An Address

TO THE

BANKERS, MERCHANTS, LANDLORDS, ETC.

OF GREAT BRITAIN;

BEING

THE OUTLINE OF A PLAN

FOR

THE APPLICATION OF ASSURANCE

TO

DEBTS, BILLS OF EXCHANGE,

PROMISSORY NOTES, RENT, & MONETARY RISKS.

OF EVERY DESCRIPTION:

WITH

**A SUGGESTION FOR THE ECONOMICAL MANAGEMENT OF EM-
BARRASSED ESTATES, COMBINED WITH THE GUARANTEE
OF DIVIDENDS AND COMPOSITIONS THEREON.**

BY

C. S. CANSDELL.

—"The common interest of every Man in Britain."—JUNIUS.

"The System of Assurance must be regarded as incomplete, while it remains unextended to the immense amount of Capital constantly adventured in Trade and invested in Rentals."—*Vide page 14.*

LONDON:

**G. MANN, 39, CORNHILL; MITCHELL AND SON,
39, CHARING CROSS.**

1849.

Price Sixpence.

EAST LONDON PRINTING OFFICE,
WILLIAM MYERS, PRINTER, 14, BEDFORD PLACE,
COMMERCIAL ROAD.

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ADVERTISEMENT.

THE Subject of the following Address has occupied the Author for several years. Received at first with little favor, by some even with derision, (for no more weighty reason perhaps than its novelty,) it slowly worked its way to a more favourable reception, and many, upon whose judgment and experience he can confidently rely, are now disposed to regard the project with approbation.

Encouraged by a judicious few to persevere, he had laboured assiduously in the face of many difficulties and amidst the pressure of other occupations to mature his plans, and towards the Spring of 1848 had collected such a mass of statistical evidence, and so far perfected its arrangement, as enabled him to lay the result before his friends by printed proposals.

About the same time also the Writer's attention was called to an article in the "*Times*," cursorily reviewing a pamphlet by Mr. R. WATT, wherein this very subject was put forward as a suggestion; and the opinion of the Editor appeared to be, that the suggestion was worthy of attention, and (though no plan of operation was proposed,) might lead to a practical realization. Finding his hands strengthened by such authority, the Author took care to bring this article under the notice of his friends, together with the pamphlet itself, which he procured for that purpose; it is unnecessary to remark that he has borrowed nothing from the latter, since Mr. WATT has therein confined himself to merely general observations. He has had no communication direct or indirect with Mr. WATT, of whose views and intentions he is altogether uninformed, but understands that gentleman to be engaged upon a project of the same nature, and to have held a Meeting on the subject. Competition however is not only to be expected, but courted, since the field of operation is vast, and the Writer's object is not to assume exclusive merit, but to benefit the Public, and to earn a reward in the success of his own undertaking.

In the July following the publication of the above-mentioned proposals, a Meeting of the Writer's friends was held at Exeter Hall, with the view of forming a Company, at which the project was favourably entertained, but in deference to the opinion of a gentleman, who rendered and continues to render valuable assistance and co-operation, all further steps in the matter were postponed until the state of trade, then critical, should revive; as well as to afford opportunity for some further researches, and time for familiarizing the public mind with the scheme.

In June of the present year the proposed Association was once more brought forward, and receiving the approval of an eminent Actuary, whose Certificate will be found in the Appendix, was in August last Provisionally Registered for carrying out the objects of which an outline is here presented.

TO THE

BANKERS, MERCHANTS, LANDLORDS, ETC.

OF GREAT BRITAIN.

GENTLEMEN,

The importance to national as well as particular interests of the purpose I have in view, is my apology for trespassing upon your attention.

The objects which I submit to your consideration are, firstly, the application of the principles of Assurance to the Guarantee of Debts, Bills of Exchange, Promissory Notes, Banking Accounts, Bonds, Rent, and Monetary Risks of every description; and secondly—the Establishment of an Economical System for the Administration of Bankrupt and Insolvent Estates, combined with the Guarantee of Dividends and Compositions thereon. Considering that the losses resulting from Insolvency of Debtors are estimated for the United Kingdom to average annually £65,000,000 Sterling—a sum about equal to the entire Government and Local Taxation of the Country, inclusive of the Interest of the National Debt, it is presumed that no improvement in Trading Economy can be more deserving public attention than that of an Institution for the purposes suggested.

Objects of
this Address.

Annual
amount of
Insolvency.

Personal vigilance does not suffice to protect property from the risks in question, any more than from other casualties affecting it, and hence the importance of enquiring whether

Loss—how
evitable.

such risks may not be annulled by an adoption of the principles of Assurance.

General
principles of
assurance.

With the nature of those principles in general I presume that few persons are unacquainted, and all can easily conceive that the destruction of a Manufactory, or the loss of a Ship, are either of them a calamity ruinous if it fall upon an individual, but that diffused among many the loss becomes inconsiderable to each, decreasing in proportion to the number interested ; and provided statistical data be not wanting, by means whereof the average loss upon any kind of property can be accurately determined, a per centage is thus fixed, which, with a certain addition for profit, constitutes the premium, in consideration of which Assurance may be safely undertaken by an Individual or by a Company.

Applicable
to Trade
Debts, &c.

The principle is applicable to Casualties of every class whereof the records are constant and complete. Advantage has been already taken of it to neutralize many kinds of calamity, and I purpose to shew by indisputable evidence, the great importance and propriety of extending the system to the Assurance of Commercial Capital constantly adventured on Credit.

The announcement of a project for the Assurance of Bankers and Traders against losses by Bad Debts, and of Landlords against loss of Rent, may be received with surprise—by some with incredulity,—but upon unprejudiced investigation it will become manifest that my theory is not fallacious, but is based upon calculations perfectly sound, and possesses urgent claims to the attention of the Commercial World.

Average of
Trade losses
determinable

The chief obstacle to the reception of this Theory by the general Public will consist in the supposed irregular and indeterminate nature of the events with which it has to deal. It may appear impossible to reduce occurrences apparently so variable, to a predetermined system. But this apparent irregularity has no existence except upon circumscribed and imperfect observation. Instead of such a partial examination, let a *sufficiently extended* periodical average be taken, and these variations submit themselves to the laws of probability—the results obtained are UNIFORM.

If we confine ourselves to any single year, the number of Insolvencies in any one or any number of Trades must of course exhibit a false proportion, exceeding or falling short of the true average, according as the year taken for example may have been prosperous or the reverse ; but as we extend our observations over decennial or longer periods, discrepancies vanish, and returns in themselves anomalous, combine to afford, as I have said, uniform results.

Ascertained by sufficiently extended survey, and reducible to uniformity.

Upon data so collected Assurance may be soundly based, and while the profit to be realized thereby may be calculated beforehand, more readily than is the case in many branches of Commerce, the Insurer exempts his adventure from all hazard, and speculation is converted into certain mutual profit.

Afford a solid basis for purposes of Assurance.

It is unnecessary for our purpose to examine into the *Causes of Insolvency*, remote or proximate ; we are only concerned to establish, that the Statistics of Trade in this respect form no exception to the universal law which has been proved to govern those of Births, Marriages, Deaths, Diseases, Crimes, Shipwrecks, Fires, and other accidents, all of which Statistics it is well known, and many others of less importance, are susceptible of the nicest calculations, have been reduced to Tabular form, and afford equally proportioned results for equal periods.

Trading Statistics subject to law of probability, like all others.

No class of accidents to which this sort of investigation has been applied has hitherto proved an exception to the rule ; we have therefore *prima facie* reason to conclude, that the evils to which our attention is now directed obey the same law, and are to be obviated by the same means,—the now happily well understood means of Mutual Assurance.

But, Gentlemen, it is not with mere inference or conjecture that I have proposed to myself to amuse your minds or occupy your time ; I have laboured for a series of years upon the collection, collation, and analysis of *facts*, and have proved to demonstration the correctness of my assumption. From parliamentary returns and other official documents, public records, gazettes, in short, from every attainable source, at the cost of vast toil and some pecuniary expence, I have drawn my materials ; and I am at length in a position, not only to establish incontestibly the conclusion to which I have arrived, but like-

The fact positively demonstrated.

wise to furnish all the details requisite to the practical organization of the system of Assurance I would set on foot, as applicable to every branch of legitimate trade carried on in this country.

Before concluding this part of my subject, permit me to adduce some instances from *existing practice*, whereby my theory of Solvency Assurance receives confirmation ;—not that I rest my conviction upon collateral evidence of any kind, but I am sensible that, in seeking to convince the Public, the advantage afforded me by an appeal to your experience as Bankers, Merchants, etc. should not be overlooked.

The practice is not unknown to Insurance Brokers, who, in consideration of an additional premium, will *guarantee* the solvency of an underwriter ; but nothing is more common than the “*del credere*” of the Produce Broker, who, for an extra per centage upon sales, *guarantees* to his principal the realization of net proceeds at expiration of prompt, or in other words, *assures the solvency of the buyers*, whose names in such cases are not declared. In the same way, the Importer or Commission Merchant recharges, and thereby *assures* his correspondent.

It is also the custom of some Traders to assure themselves from loss by charging upon all goods sold a certain per centage, equivalent to the presumed average defalcations of their debtors, opening for this purpose a regular debtor and creditor account—called perhaps the Bad Debt Account ; and, indeed, every enhancement in the price of goods sold on credit, submitted to for credit's sake, may be regarded as a premium paid to a reserved fund for Self-Assurance.

In the same position of Self-Assurer stands the Bill Discounters, who exacts a higher than the current rate of Discount in consideration of unusual risk.

This however is not all, for though here perhaps less known,* the practice has all but universally obtained in New York and other American cities of *Guaranteeing Bills of*

* Discounting “*without recourse*” has of late become more frequent even in this country.

Exchange; that is to say, the discounter for a consideration exempts the endorser from liability. This, consideration of course varying according to the character of the bill, as determined by the reputation of the other parties to it, is strictly a Premium of Assurance.

But the principle has attained in European cities to a still further developement. It is *common* with continental Bankers not only to *Guarantee Bills of Exchange*, but also *Ordinary Trade Debts*, upon the simplest, or even without any documentary acknowledgement of the debtor; *thus carrying out my views to the fullest extent*. The last-mentioned facts I have on good authority, for which I refer you to my Appendix.

Insurance of unsecured debts, an ordinary custom in Continental countries.

Now if all this can be done by individuals, how much more advantageously, as regards both profit and safety, may this kind of business be transacted by a Company associated for that object, provided with machinery constructed for the purpose, and means of information commensurate with its requirements.

How much more safe and advantageous such transactions in the hands of a well-organized Company.

It needs no argument to prove that the system of Self-Assurance adverted to, however it may serve the Trader in ordinary times to equalize his losses, will afford little protection in periods of extraordinary depression; for then, though exposed to extra risk he is forced to cheapen, and will utterly fail him in those tremendous crises or panics which sometimes more or less suddenly overwhelm the Trading Community. Nay, the most prudent and sagacious man of business is at any time liable, from misplaced confidence or other unforeseen causes, to heavy if not insurmountable loss. Misfortunes of this nature, it is evident, can only be met by the organization of a Company on the most extensive scale, by whose operations alone the grand object of *Equalization* can be effectuated, the loss no longer ruinous to the honest and prudent Individual, be spread in an extremely comminuted shape over the Community, and the average loss of every Trader reduced to an unalterable limit. Such a Company and such a system once in operation, it is not too much to predict that those convulsions which from time to time occur with such fatal effect in the Mercantile World would, if still within the range of possibility, be suppressed at the outset.

Losses confined to an equalized limit.

and Panics prevented.

One failure
causes many,

Who has not known instances in which the failure of one Commercial Firm, re-acting upon its connections in a continually extending circle, has set up a terrible growth of ruin ramifying into every corner of the land? What means short of those I contemplate could be adequate to stem the pressure of such a calamity, and by bearing the brunt of the first loss prevent the indefinite series which would otherwise follow in its train?

I shall not be expected, within the limits of a pamphlet, to expose in detail the system I design to adopt for the practical working out of my scheme, but the following may answer the purpose of illustration.

To effect a Policy of Insurance upon a plurality of accounts, it will only be necessary for the Assured to deliver to the Company a Schedule of the Names of his Debtors, and the amount of Credit to be granted to each of them. No further particulars will be required, no inquisitorial powers arrogated on the part of the Company; for its own protection, however, the right must be reserved of rejecting persons unworthy of Credit. This will be obviously no drawback to the general utility of the system, since it will be little to the interest of the Company to exercise such a right, or to discourage Credit, except in cases where it could not under any circumstances be safely afforded.

Assurance of
Rent.

The Insurance of Rent is a subject requiring no elucidation; and the Company by charging itself with the collection likewise, will add materially to its profits, and greatly advantage Landlords, to whom the combination of services may be rendered at a rate little exceeding the commission usually paid upon mere collection, to say nothing of the privilege which may be accorded within certain limits of anticipating their Rentals.

Difficulties
& objections
considered.

Means have been devised, into which it is unnecessary now to enter, of removing all legal and other difficulties, and furnishing every requisite facility to Insurers of all classes. The difficulties alluded to are wholly of a secondary order, occurring chiefly in matters of form and detail, but that they are greater than usually attend the developement of any new project, especially one of such magnitude, or that they are insur-

mountable by ordinary sagacity, is a supposition incompatible with the just appreciation of fundamental principles.

Can it be objected that the cost of Assurance will be an obstacle to its adoption, by reason that the premiums paid must be met by an impost upon goods—thus causing the assured to compete *pro tanto* at a disadvantage with Non-Insurers? This objection has no value, because the risk of loss, which cannot be altogether evaded, has always entered into the calculations upon which prices are regulated, constituting as I have before said a premium for Self-Assurance. By the Trader, in whose calculations this element is reduced to its lowest term, the extreme of cheapness is most likely to be reached.

The expense of Assurance no valid objection.

May it be observed, that failures sometimes occur in numbers so great, and from causes so uncontrollable, as to defy prevision? I think I have already shown the fallacy of this argument. Is it to be supposed that more extravagant delusions are yet to shed their baneful influence upon Commerce—that scenes of more extensive ruin are yet before us than those through which we have already passed? It cannot be! Granted however, that the catastrophes which mark our past history are to have *their parallels* in times to come; well, these bygone calamities have all been reviewed and taken into account,—they are part and parcel of the facts upon which my conclusions are founded. Nevertheless, Gentlemen, if any of you entertain the opinion, from which I presume to differ,—that future periods of national distress may yet surpass and confound all former experience, then permit me to assure you that I have left a margin to the extent of all reasonable apprehensions, that we may take in if needful, and yet not exceed the limits within which Assurance would be resorted to with advantage. I beg you also to bear in mind the tendency with which I have already presumed to invest my system—to break the force of a commercial shock—a property which can scarcely be too highly estimated.

The instability of trading prosperity no good objection.

Some may be disposed to infer, that the sense of absolute security from risk will have the effect of inducing recklessness on the part of the Trader. It is however evident that, having

Carelessness of Traders little to be feared.

once learned to value the benefits of Assurance, he would rarely put in peril his future participation in those benefits by such an abuse of them; but should he be so minded, the right of rejection possessed by the Company must be resorted to in its defence.

The Company will be guided in the employment of this its necessary power, by an extent and variety of information rapidly accumulating, of which the existing so called "Trade Protection" Societies afford but a limited example.

Moreover, as a check upon imprudent dealing, I suggest the assuring in all cases no more than the amount actually ventured, and not the assumed loss of profit. All usual discounts and allowances should likewise therefore be deducted from Claims advanced. But I think (the premiums being calculated to admit the payment of losses in full,) it will be found in practice that any such precaution will be ultimately unnecessary.

But it is unfortunately true that not to involuntary causes, nor even to improvident conduct and reckless trading is the total number of Insolvencies to be ascribed; it cannot be denied that Fraud in many cases plays an important part. As regards this part of the subject, I may premise, that as Fraud has always existed, so its effects have no more than others been excluded from the review of facts upon which our speculations are based. We have only therefore to take into consideration the *possible increase* of Fraud, which there is no reason to apprehend, for not only have the efforts of the Legislature of late been more especially directed to the suppression of these offences, but the dishonest Debtor who knows his debt to be covered by an Assurance of the Company, will be consciously exposed to a more active and inevitable prosecution than would perhaps await him at the hands of a private Creditor.

A species of Fraud, however, to which the Company may be peculiarly liable, is that of *Fictitious Claims*, and it becomes really important to examine how far such fabrications by dishonest Insurers be possible, and to what extent the Company will possess power and ability to protect itself against them.

The Law of Conspiracy, with the severe penalties attached

Self-protect-
ing powers
of the Com-
pany.

Fraudulent
Insolvency
considered.

Fictitious
Claims con-
sidered.

to it, will of itself operate to render such attempts extremely unfrequent ; nor would they be more formidable to a Solvency Assurance Company than they actually are, to any extant Fire, Life, Marine, or other Assurance Company, of whom no one was, is, or ever will be, entirely exempted from attempts at imposition : judicious caution in granting Assurances, and vigilance in investigating Claims must be the safeguards of our Company, as of others, and would render it hardly possible for such attempts to elude detection.

All other Assurance Companies liable to the same frauds.

Now although we know from judicial proceedings and from the evidence of those connected with Assurance, that Ships are sometimes designedly wrecked and Houses purposely set on fire with intent to defraud, etc. ; yet we also know that the precautions adopted, and means taken by the Underwriters and Companies for the detection and punishment of such nefarious acts, deter many from their perpetration, and suffice to prevent the losses which accrue from these and all other causes from exceeding the anticipated average and rendering the general business unprofitable. It is a reasonable inference, that if in the prosecution of our undertaking the like risks are to be encountered, the like precautions will be equally successful.

Their safeguards equally available to a "Solvency Assurance" Company,

If there be room for doubts as to the completeness and conclusiveness of the data which form the basis of our calculations, let it be remembered that neither Marine, Fire, nor Life Assurance were, in their infancy, better provided. Nay, I may safely assert, that we have the advantage of statistical information ten times more accurate and complete than were at its outset available even to the latest of the above-named Institutions. Allow me to remind you of the distrust which beset both Fire and Life Assurance at *their* commencement, and much more recently the Fidelity Guarantee System, (all which are now flourishing Institutions,) without seeking for further examples among the many monuments of successful enterprise which were once regarded as mere chimeras. To confound difficulties with impossibilities is an error which, if indulged, might have deprived Mankind of many blessings, and doomed to premature extinction the noblest plans for its advancement. But for the skill and energy of speculative men, exerted under

which will commence operations under better auspices than attended the commencement of Fire or Life Assurance.

circumstances of more or less difficulty and discouragement, how many a problem bearing importantly on the interests and business of life would have remained unsolved.

Now, if we glance for a moment at the range of objects already embraced by the system of Assurance, we see the Ship and her cargo committed to the perils of wind and wave, the Warehouse with its merchandize, the Dwelling House and its chattels, the Stack, and the Granary, all exposed to the frequent devastations of another element, not to exclude the Growing Crops liable to the destructive effects of hail; we see Man threatened with inroads upon his resources from the ravages of disease among his Cattle—to the paralysation of his industry from its attacks upon his own person; we see him surrounded by dependents, whom his sudden or premature death may leave helpless or defenceless,—nay, not defenceless, for this feature of the evil is obliterated by the same means which in another form protect his possessions. Even from the depredations of unfaithful servants he is efficiently secured, and the employé himself provided with the invaluable advantage of a Guarantee, which it is so difficult to obtain, and so embarrassing to require from the kindness of a Friend. The system however must be regarded as incomplete while it remains unextended to the immense amount of Capital constantly adventured in Trade and invested in Rentals,—equalling if not exceeding in the aggregate all that portion of the Public Wealth to which the science of Assurance has hitherto been applied; and I am thoroughly convinced that so obvious a deficiency cannot much longer escape attention from the all-important interest which is concerned in supplying it.

I trust, Gentlemen, I have made some progress in leading your minds to the same conviction. I have shown, that to Guarantee the Solvency of Traders and Tenants falls within the legitimate province of an Assurance Association, and is one essentially analogous to those which the system already includes; that the plan is not altogether untried, and if it were, that its novelty would form no argument against its practicability. I have shown that sufficient data are at hand upon which to found its operations—that the difficulties attendant thereon

The objects
already com-
prehended in
the system of
Assurance.

The system
incomplete
until extend-
ed to Debts
and Rent.

Summary
of the
argument.

are trivial, and the objections not unanswerable. I need not expatiate on the advantage to the Trader, of a security from risk, which leaves his mind untrammelled by anxiety in the prosecution of his business, nor on the economy which I have endeavoured to illustrate in contrasting my system with that of Self-Assurance; to which I may add the reflection, that a vast National Saving must accrue from the avoidance of Law and Bankruptcy Costs, not to mention the improvement on the existing system of realizing and distributing Assets, of which I will say more presently. Permit me however to add a word concerning the morality of Trade, which would appear from recent disclosures to be at a very low ebb, but will be assisted to reach a higher standard by the influence contemplated. The imprudent Creditor, as I have said, will be restrained by fear of debarring himself from advantages which I am persuaded need but to be offered to be generally desired, and the Debtor be chary of committing himself to any questionable act which may make him the object of suspicion to Assurance Associations; certain of whose wakeful supervision, he will, on the contrary, be likely to make every effort to maintain his position as an honest trader. The important duty of prosecuting dishonest Bankrupts and Insolvents and the whole class of Swindlers, a duty so often neglected or systematically avoided by Individuals, on account of the trouble and expense attending it, will be inflexibly performed by a Company, whose interests will be so deeply and extensively involved in its due execution, that no delinquent can hope to escape conviction.

Trading
morality im-
proved.

Prosecution
of fraudulent
debtors
secured.

We commence this undertaking at an auspicious time, the Nation having recently recovered from a Commercial Crisis. Confidence and enterprise are reviving, and so much of Credit as has withstood the shock may be considered as standing on a more solid foundation.

Present time
favorable.

The immense amount of Insolvency lately exposed (and greatly overrated) need not discourage us; for however little we may be disposed to rely on the presumed periodicity of Panics, (a theory strangely according with experience,) yet the fact is indubitable, and might, if space permitted, be de-

Insolvency
on the
decrease.

monstrated by tables of Statistics,—that Insolvency is a decreasing and not an increasing evil. The Panics of 1793-4, 1810-11, 1825 especially, and even 1835-6, were each in its sphere of greater intensity than that of 1847-8; and I have found, by comparing the Insolvency returns of past years with the progress of National Wealth, as deduced from the Population, number of Traders and of Dwelling-Houses, the amount of Revenue, of Exports and Imports, the number and tonnage of Vessels, and all other items indicating the resources of the country, that those returns exhibit decennially a constant diminution.

Management
of Insolvent
Estates.

I now take leave to subjoin a suggestion relative to the subject before alluded to,—*the Administration of Bankrupt and Insolvent Estates*,—a suggestion sufficiently invited, by the acknowledged inadequate, unsettled, and always expensive character of the means afforded by Law.

Present
means of
accommoda-
tion

To avoid an appearance in the Bankruptcy and Insolvency Courts, a private arrangement is resorted to wherever practicable, and there are two ways in which such an arrangement may be legally effected. Firstly, by calling together the Creditors and obtaining their consent to a Composition,—perhaps the most desirable, certainly the most facile mode of dealing with the case, where honest intentions on the one side are met by confidence on the other; but it is in reality a mode encumbered by great difficulties, too often arising from the absence of these conditions, usually attended by delay and uncertainty, and resulting in dissatisfaction. The other method consists in an Assignment of his Effects by an Insolvent to two or more Creditors for the benefit of all; but such an arrangement is obnoxious to the suspicion of preference, whereby the interests of the many are possibly sacrificed to the few; or, as has been frequently the case, the same thing may happen by the dishonesty of the Trustees. The evils incident to either course I propose to obviate, by superadding to the functions of the Company, the faculty of mediating between Creditors and Debtors in the character of Trustee. The Debtor, for instance, will make to the Company a full disclosure of his circumstances, which being investigated by

Improvement
suggested, com-
bined with
the guaran-
tee of Divi-
dends and
Composi-
tions.

its Accountant, upon his favourable report, an Assignment with be taken, and the Creditors waited upon for their consent to the best Composition the Assets may warrant, to be *immediately liquidated, less a discount, or payment thereof guaranteed, without deduction, as soon as the Effects are realized.*

No distrust could attach to the Company in its capacity of mediator, as it could have therein no adverse interest; no other, in fact, than that of sustaining its own Credit by careful and economical management, and of realizing the utmost possible benefit to the Creditors, inasmuch as it will receive remuneration for its services (for that is part of my plan,) by a percentage, regulated on a sliding scale according to the rate of Dividend secured.

Advantages
of employing
the Company

Thus would be saved a large proportion of Law, Court, and Accountancy expenses. Many cases are on record in which these have consumed the entire Estate, and few in which they have not trenched largely upon the Dividend, which suffers not less encroachment by reason of the waste inseparable from forced Sales of Property and Effects. The Company will go to work in no such precipitate manner; it will be competent to the honest Debtor to place himself in its hands before ruin has become inevitable; in proper cases, advances may be made, and a catastrophe altogether avoided; and in no case will the Company be obliged to proceed to Sales under unfavourable circumstances.

In conclusion, Gentlemen, I have to solicit your inspection of the extract contained in my Appendix, taken from the published Prospectus of the Association I am endeavouring to establish; and which, if I have been so happy as to gain your attention to the foregoing Address, I cannot doubt will be honored by your approval and support.

I have the honor to be,

GENTLEMEN,

Your most obedient Servant,

CHARLES STUART CANSDELL.

11, MONTAGUE PLACE, ISLINGTON.

2nd Nov. 1849.

APPENDIX.

Certificate from W. S. B. WOOLHOUSE, Esq., F.R.A.S., etc.

"To C. S. CANSDELL, Esq.

"SIR,—I have perused your Prospectus of the proposed "Solvency Guarantee Company," and after due consideration think it of great importance to the Commercial World, and capable of being made practicable; and I am of opinion, that the advantages offered to the Public would insure its success if efficiently carried out. A Friend on the Continent has promised to obtain some practical information on the subject for me, and I shall have great pleasure in giving you all the assistance in my power.

"I am, SIR,

"Yours truly,

"26, Cornhill, London.

"21st Sept. 1849."

"W. S. B. WOOLHOUSE,
"Actuary."

Letter from MICHAEL HAVA, Esq. of the Firm of MESSRS. HAVA & Co. London.

"To C. S. CANSDELL, Esq.

"DEAR SIR,—I have much pleasure in certifying that the Assurance of Debts and Bills of Exchange has been practised successfully for a long time in many parts of the Continent.

"I am, DEAR SIR,

"Yours truly,

"15th August, 1849."

"MICHAEL HAVA."

N.B.—Authentications of this fact I could readily multiply if it would answer my purpose. Other documents and more succinct information are expected from different parts of the Continent and should have been here appended, but not being yet to hand, must appear in another edition, as the present could not be longer delayed.—C. S. C.

"The SOLVENCY GUARANTEE COMPANY, (Provisionally Registered pursuant to 7 & 8 Vict. c. 110,) established to secure Bankers, Merchants, Manufacturers, and Traders generally, against loss by Bankruptcies, Insolvencies, Assignments, and Compositions; to insure Debts, Bills of Exchange, Promissory Notes, Banking Accounts, Bonds, etc.; to secure Landlords against Loss of Rent by Insolvent Tenants; to Guarantee and Liquidate Dividends and Compositions; and undertake the economic Management of embarrassed Estates, when such Assets are Assured. To be Incorporated by Act of Parliament. Capital £500,000, with power to increase to £5,000,000, in Ten Series of 25,000 Shares of £20 each. Deposit 2s. per Share, until complete Registration, when a call of 18s. per Share will be made; and it is confidently presumed that no farther advance of Capital will be required, but the balance to remain as a Guarantee Fund.

The objects of this Company are,—the Assurance of Bankers, Merchants, Manufacturers, and Traders generally, from Losses by Bad Debts occasioned by Bankruptcies, Insolvencies, Assignments, and Compositions; the Assurance of Landlords from Losses by Insolvent Tenants; the Guarantee of Monetary Risks of every description; the careful Management of Embarrassed Estates, etc., etc.

Application for further Information, Prospectuses, and Shares, to be made to THOS. EDEN, Esq., Solicitor, 3, Salisbury Street, Strand, or to C. S. CANSDELL, the Promoter, 11, Montague Place, Islington."

EAST LONDON PRINTING OFFICE.
WILLIAM MYERS, PRINTER. 14, BEDFORD PLACE,
COMMERCIAL ROAD.
